

*Hollywood  
Property Owners  
Alliance*  
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Thaddeus Smith  
President  
The Music Box

Ron Radachy  
Vice President  
Oasis of Hollywood

Jim McPartlin  
Secretary  
W Hollywood

Frank Stephan  
Treasurer  
The Clarett Group

Greg Beck  
Champion Real Estate

Chris Bonbright  
Whitley Court  
Partners

Lynda Bybee  
METRO

Michael Gargano  
Argent Ventures, LLC

Tom Goffigon  
TGPM Inc.

Nathan Korman  
NBK, LLC

John Lyons  
Avalon Hollywood

Jan Martin  
AMDA

Galo Medina  
Comprehensive  
Financial Services

Jim McPartlin  
W Hollywood

Don Mushin  
Hollywood Toyota

Tej Sudher  
Hollywood  
Guinness Museum

John Tronson  
Tronson  
Investment Group

Monica Yamada  
CIM Group, Inc.

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Kerry Morrison  
Executive Director



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October 31, 2011

TO: Miranda Paster, Office of the City Clerk

FROM: Kerry Morrison, Executive Director, HPOA

SUBJECT: Third Quarter Report: July 1, 2011 through September 30, 2011

As is required in our Agreement with the City of Los Angeles, I am submitting our Third Quarter Report to summarize key activities of the Hollywood Entertainment District.

**I. Operational Issues**

- John Tronson was elected to the board on July 21, 2011, representing the Broadway condominium, to fill a mid-year vacancy. At the September 15, 2011 board meeting, two additional board vacancies were filled: one by Greg Beck, of Champion Real Estate and the second by Thomas Goffigon, of the Equitable Building.
- The Annual Meeting of the Hollywood Property Owners Alliance was held at the W hotel on July 28, 2011. At the meeting, in addition to a retrospective look at events in the BID over the past year, the Hollywood Facelift objectives were highlighted. The Preferred Vendor booklet was distributed, and after the business meeting, there was a mini "expo" featuring different vendors described in the booklet. Property owners had the ability to learn more about services related to signage, awnings, painting, washing and security doors. The CRA also had a table to present the information about the Commercial Property Enhancement Program (CPEP).
- The Nominating Committee for the Board (Chris Bonbright, Tej Sundher, Neelura Bell) prepared a slate of seven nominees for consideration by the property owner community. The slate mailing was sent out on August 18, 2011 and consists of: Lynda Bybee, METRO; John Tronson, Broadway Hollywood; Don Mushin, Toyota of Hollywood; Monica Yamada, CIM Group; David Green, Nederlander West Coast; Jan Martin, AMDA; Jim McPartlin, W Hollywood. The election will take place in November, 2011.

- At the direction of the Board, the staff looked at two options for a new bank: Comerica and City National. In August, the staff worked with the Association's accounting firm to migrate all the bank accounts from Wells Fargo to City National Bank. (Only City National could assure in writing that the Association would not be charged fees for banking services. ) This has been an ongoing issue with Wells Fargo, despite initial assurances that we would be exempt from service fees.
- The board was presented with a draft of the 2010 tax return at their September 15, 2011 meeting.
- Over the course of this quarter, the Association faced a challenge in securing affordable general liability insurance. Because of a tree-well tripping incident in 2010, a letter had been submitted on behalf of an injured party, announcing an intent to file a claim. The current insurance provider, Philadelphia, as a result, established a large loss reserve (\$100,000) and chose to not extend a renewal to HPOA for the coming period. The large loss reserve scared off other providers. During this period, Philadelphia agreed to extend the deadline for insurance by one month (to October 9) to give our broker more time to find a provider. The only provider identified during this period was Navigators, who would insure the HPOA for \$30,000/annually, as compared to the current GL premium of \$1,800.
- With respect to the Hollywood Facelift program, several developments occurred over this quarter:
  - a. The CRA, during this period, was given the permission to begin marketing the Commercial Property Enhancement Program (CPEP) in furtherance of revitalization objectives associated with the Hollywood Facelift effort. They will conduct three informational briefing for property and business owners in October (12, 19, 25). Applications will be collected next quarter, and if the CA Supreme Court positively resolves the issue, the program could start by February 2012.
  - b. A Preferred Vendor handbook for the Hollywood Facelift program was completed and made available to property owners at the annual meeting of all property owners on July 28, 2011.
  - c. The board was divided into five teams and began to outreach to their assigned properties in order to begin to secure contracts. A Facelift Team Captain meeting was held on September 12. At that time, the captains recommended that we come up with a scoring system, to evaluate where properties fall short, and to establish a baseline against which to measure progress in the future. The teams would then be dispatched to go out and rate buildings in preparation for the October board meeting.

## II. Security

- The food cart demonstration project on the W Plaza ended at the end of July, owing to the illness of the cart owner. Prior to that, the board authorized the purchase of additional chairs

and tables, and umbrellas for the tables to address the mid-day sun which makes the area inhospitable. Staff is working with the owners of the W Hotel to identify a new food vendor. In the meantime, hotel owners have posted two security guards to walk the plaza during the day.

- With respect to the Collaborative Valet project on Cahuenga, during this period, a company was selected by the nine businesses for the purpose of consolidating the valet operations. However, at issue now is the ability of the city to enforce this, given the possibility that rogue operators could swoop in and “set up shop” on the public sidewalk. Mitch O’Farrell in CD-13 is working with BSSS and the City Attorney to determine if a special pilot project could be created to demonstrate how a single valet would work, for the purposes of informing the city’s proposed valet regulation ordinance, which was recently released in draft form.
- During this period, the Community Impact Team began working on methods by which tour busses could be more tightly regulated on the Boulevard. Discussions were had with city staff about creating “staging areas” off the Boulevard.
- During this period the transmitter for the security camera located at Hollywood and Whitley was stolen from the roof. The board authorized an expenditure of \$2,000 from the Security Contingency budget to replace it. A police report was filed with LAPD.
- At the request of the LAPD Hollywood Division, special cards were created, for distribution to business and property owners to ensure that stakeholders know to call LAPD if there are serious issues that require response. At issue was some concern that BID security was arriving at situations that were best handled by professional law enforcement. Therefore, several thousand cards were created that say:

A Friendly Reminder from your BID Security and the LAPD: The purpose of the BID Security Patrol is to provide security services in the public right-of-way. BID Security is not intended to replace private security in your business. Property owners and/or their tenants may contact BID security for assistance with routine security issues that arise on the sidewalks, or in public areas around their properties. Call 323-466-0122. FOR ALL EMERGENCIES CALL 911.

- As of the end of this reporting period, the BID security vendor, Andrews International, logged the following activity statistics: 784 private persons’ arrests; 1,802 calls for service; 6, 296 citizen contacts; 437 social service referrals and 2,454 business contacts.

### **III. Streetscape**

- The tree well DG replacement project was completed and 345 tree wells were brought to grade on Hollywood, Vine, Cahuenga and Yucca.
- The staff reported on a new city contract being forged with Martin Outdoor Media which will result in the installation of 4,000 metal bus benches throughout the city. The board directed

the staff to write a letter to the city expressing the BID's opposition to placing benches on the Walk of Fame.

- The Office of Community Beautification will no longer be providing trash bags to BIDs or paint for graffiti abatement. In the Hollywood BID budget, it is anticipated that this will result in an impact of about \$800 month.

#### **IV. Marketing Issues**

- A new Facebook site, called Hollywood HQ, was launched in July.
- The board voted at the July 21, 2011 meeting to authorize \$25,000 from the HED Marketing budget to serve as a co-sponsor for the 2012 POW-WOW, which is a trade show for the global travel industry. The show will occur in Los Angeles next year, and Hollywood will host the opening night. Staff will work with LA Inc and the host committee to prepare materials which market the district and all it has to offer to the travel buyers who will be coming next year.
- CBS Radio met with the Board in September and presented a marketing opportunity for a day of broadcast from Hollywood, scheduled for January 27, 2012. It would be called "On Your Corner," and the radio station was seeking ideas on potential sponsors, and ultimately on story ideas. Staff will be working with CBS and area businesses to identify potential sponsors who would like to be featured on the broadcast.
- The 2011-12 Hollywood Visitors Guide was sent to print during this period.

#### **V. Other**

- Staff began monitoring activities at City Hall relative to the potential to franchise solid waste disposal in the city.
- Kerry Morrison and Thaddeus Smith attended the International Downtown Association conference in Charlotte NC from September 23 – 26, 2011.
- Kerry Morrison was appointed by Mayor Villaraigosa to serve on the board for the Los Angeles Homeless Services Authority.
- Kerry Morrison was asked to participate as a panelist at UCLA Urban Planning School relative to a planning charette and vision plan underway for Westwood.

## Hollywood Property Owners Alliance

### Annual Limits & Year-To-Date Totals Quarter Ending September 30, 2011

BUDGET LINE ITEM	ANNUAL BUDGET	REVENUE TO DATE	AMOUNT THIS QTR	AMOUNT YEAR-TO-DATE	PROJECTED SPENDING FOR REMAINDER OF THE YEAR	EXPLANATION OF VARIANCE
Assessment Income	3,482,350	3,045,948				
City Fees	34,823		-	35,022	-	
Contingency	96,000		5,334	10,547	85,453	24,000.00
Administration	188,960		38,368	112,805	76,156	47,240.00
Security	1,612,000		406,692	1,129,744	482,256	403,000.00
Maintenance	1,097,400		259,296	830,340	267,060	274,350.00
Personnel	344,800		83,484	253,569	91,231	86,200.00
ED&C/Marketing	100,000		41,138	69,089	30,911	25,000.08
<b>TOTAL</b>	<b>3,473,983</b>	<b>3,045,948</b>	<b>834,311</b>	<b>2,441,116</b>	<b>1,033,066</b>	<b>868,495.83</b>

**Other income (not included above):**

DWP Grant	13,793.32
Assessment penalties income	3,390.22
Interest-LA city	2,757.59
Interest-other	
<b>Total other income as of September 30, 2011</b>	<b>19,941.13</b>